

Message Text

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AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN
AMCONSUL SHIRAZ
USINT BAGHDAD

UNCLAS DHAHRAN 1276

E.O. 11652: N/A

TAGS: EGEN, EWWT, BGEN, ELAB, MMOL, SAMMVV
SUBJECT:JCAMMAM PORT SITREP

REF: DHAHRAN 1183 (NOTAL), KUWAIT 4527, MANAMA 1369

1. SUMMARY PORT OF DAMMAM'S MANAGEMENT IS EUPHORIC OVER PORT PRODUCTIVITY IN SEPTEMBER. DESPITE RAMADAN, TONNAGE DISCHARGED ALMOST EQUALLED AUGUST'S FIGURE AND WAS TWICE THE TONNAGE RATE RECORDED THE PREVIOUS RAMADAN. FURTHER IMPROVEMENT IN PORT SITUATION IS PROJECTED AS MORE BERTHS OPEN, MORE RO-RO VESSELS CALL AT DAMMAM, AND THE ROAD TRANSPORTATION PROBLEM CONCERNING MOVEMENT OF CEMENT OUT OF THE PORT IS RESOLVED. RECORD-BREAKING MONTHS APPEAR TO BE AHEAD FOR PORT. END SUMMARY

2. AS OF OCTOBER 2, DAMOAM PORT AND 134 SHIPS WAITING TO BERTH (8 PERCENT FEWER THAN AT BEGINNING OF SEPTEMBER). CARGO ON SHIPS
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AWAITING BERTHING SPACE IS CALCULATED TO BE 811,912 TONS OR

NEARLY SIX PERCENT LESS THAN AT BEGINNING OF SEPTEMBER. SHIPS PRESENTLY REGISTERING TO BERTH CAN ANTICIPATE 61-DAY BERTHING DELAY, COMPARED WITH 78 DAY DELAY BEGINNING OF SEPTEMBER. PORT MANAGERS NOTE WITH PRIDE THAT IN TEN DAYS SINCE END OF RAMADAN, PORT HAS BEEN DISCHARGING SHIPS AT RATE OF 15,000 TONS PER DAY -- A 14 PERCENT IMPROVEMENT OVER DISCHARGE RATE REPORTED FOR SEPTEMBER.

3. FIGURES CITED ABOVE HAVE CAUSED STATE OF EUPHORIA AMONG MANAGERS OF PORT OF DAMMAM. PORT MANAGERS NOTE THAT DURING MONTH OF SEPTEMBER THE TOTAL TONNAGE DISCHARGED WAS 335,000 TONS OR TWO PERCENT MORE THAN IN AUGUST. THE EUPHORIA SEEPS FROM FACT THAT SEPTEMBER ENCOMPASSED MOST OF RAMADAN -- A FOUR-WEEK PERIOD WHEN, HISTORICALLY, DISCHARGE RATES SLIP BADLY. AS NOTED IN PARA 10 OF OUR REFTEL, DISCHARGE RATES DID SLIP BADLY DURING FIRST WEEK OF RAMADAN AND THEN RECOVERED TO PRODUCE A MONTHLY FIGURE JUST DOUBLED THE TONNAGE MOVED DURING LAST YEAR'S RAMADAN PERIOD. MOREOVER, SEPTEMBER'S TONNAGE FIGURE WAS SLIGHTLY ABOVE THE AVERAGE THUS FAR IN RIYADH AND 54 PERCENT ABOVE THE AVERAGE FOR 1975.

4. MANAGEMENT OF PORT FORECASTS THAT TONNAGE WILL INCREASE IN REMAINDER OF YEAR AND ARE CONFIDENT IT WILL REACH 450,000 PER MONTH DURING OCTOBER, WITH THAT LEVEL TO BE MAINTAINED DURING REMAINDER OF YEAR. THEY FORECAST IMPROVEMENT ON FOLLOWING BASIS:

(A) PORT IS HANDLING GOOD DEAL MORE STEEL AND OTHER LOW-BULK/ HIGH-TONNAGE ITEMS.

(B) RO-RO SHIPS WILL PLAY INCREASING ROLE IN IMPROVEMENT OF TONNAGE THROUGHPUT.

(C) MANAGEMENT FEELS THAT DISCHARGE RATE DURING SUMMER MONTHS WOULD HAVE BEEN EVEN BETTER IF HAD NOT BEEN FOR "AN APPALLING DROP-OFF IN CEMENT DISCHARGE RATES". AS WAS NOTED IN PARA 3 OUR REFTEL, SAG-IMPOSED PRICE CEILINGS ON CEMENT HAULAGE CONTRACTS TO RIYADH SHARPLY REDUCED CEMENT MOVEMENTS OUT OF THE PORT. APPARENTLY SAG HAS REMOVED CEILING AND NOW, IN WORDS OF ONE PORT MANAGER, "THERE ARE TRUCKS GALORE".

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(D) MORE BERTHS ARE OPENING UP.

(E) NEW STEVEDORING CONTRACT PASSES ONE BERTH TO BRITISH PORT MANAGEMENT-CONTRACTOR, GULF PORT MANAGEMENT, TO OPERATE IT AS ONE SELF-CONTAINED UNIT. IT IS EXPECTED THAT IT WILL SERVE AS A MODEL FOR THE REST OF THE PORT AND SPUR STEVEDORING COMPANIES TO GREATER PRODUCTIVITY.

(F) CONTRACT WITH BRITISH COMPANY (SEE DHAHRAN 1025) HAS BEEN RENEGOTIATED WITH DUTCH COMPANY TO DISCHARGE 6,000 TONS DAILY (OR 2 MILLION TONS ANNUALLY). THE DUTCH ARE EXPECTED TO START WORKING CEMENT SHIPS IN NOVEMBER.

5. IN DAMMAM'S BARGE PORT, LASH BARGE UNLOADING RATES CONTINUE TO IMPROVE MODESTLY AT SAME TIME ONE CONTRACTOR THERE IMPROVES HIS OPERATION OF DISCHARGING LUMBER SHIPS OUT IN STREAM. OPERATIONS IN BARGE PORT SUFFERED MILD SET-BACK WHEN THREE LARGE GENERAL CARGO BARGES BURNED SEPTEMBER 28. DAMAGE TO CARGO WAS HEAVY BUT DAMAGE TO BARGES WAS RELATIVELY LIGHT. THEY WILL BE BACK AT WORK IN FEW WEEKS, BUT, IN MEANTIME, SIX NEW BARGES HAVE ARRIVED AND WILL MORE THAN COMPENSATE FOR TEMPORARY LOSS OF SINGED BARGES

6. CURRENT STATUS OF LASH BARGES IN DAMMAM PORT IS AS FOLLOWS: APART FROM FOUR UNITS, (HELD BY CUSTOMS), WHICH CAME OFF THREE SHIPS WHICH CALLED IN AUGUST, OLDEST GROUP OF BARGES (7) ARRIVED SEPTEMBER 11. ALTOGETHER, THERE WERE, ON OCTOBER 7, 56 LASH BARGES AWAITING DISCHARGE.

7. ARAMCO'S NEW BARGE PORTS (TWO OPEN AND THIRD ONE SLATED FOR OCTOBER) CONTINUE TO TAKE PRESSURE OFF DAMMAM PORT. DAILY TONNAGE HANDLED CONTINUES TO AVERAGE AROUND 3,000 TONS PER DAY AND NEARLY ALL OF ARAMCO'S CARGO IS SLATED TO PASS THROUGH ITS OWN PORTS. AS OF OCTOBER 2, ARAMCO ONLY 9780 TONS OF CARGO ON BOARD 20 SHIPS WAITING FOR BERTHS IN DAMMAM PORT.

8. COMMENT: WE HAVE BEEN, FOR NEARLY ONE YEAR, OPTIMISTIC REGARDING OUTLOOK FOR IMPROVEMENT IN DAMMAM'S PORT (SEE 75 DHAHRAN 1457 AND DHAHRAN A-15) AND WE ARE DELIGHTED THAT MOVEMENT OF IMPORTS THROUGH PORT IS INCREASING. TO ILLUSTRATE HOW

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DRAMATIC THE IMPROVEMENT HAS BEEN, DHAHRAN A-23 IS BEING POUCHED WITH ENCLOSURE WHICH GRAPHS THE MONTHLY TONNAGE FIGURES. NEVERTHELESS THERE ARE CERTAIN ASPECTS OF DAMMAM PORT SITUATION WHICH REQUIRES US TO BRIDLE OUR ENTHUSIASM: (A) TO MAKE WAY FOR FUTURE PORT EXPANSION, THE TWO OLDEST BERTHS IN DAMMAM PORT WILL BE TORN DOWN IN NOVEMBER AND LOSS OF THOSE BERTHS CANNOT HELP BUT BRAKE IMPROVEMENT IN TONNAGE DISCHARGE RATES; (B) THERE REMAINS LABOR SHORTAGE IN PORT -- FOR EXAMPLE; ONE STEVEDORING COMPANY NOTED THAT IT IS SHORT 40 GANGS AND CANNOT RECRUIT QUALIFIED STEVEDORES IN GUINIA OR PAKISTAN, ITS NORMAL SOURCE OF LABOR; (C) POSSIBLE JAM-UP IN CLEARING OF GENERAL CARGO APPEARS TO BE A BOTTLENECK AHEAD; (D) FINALLY, JUDGING BY REF EMBTELS, THERE HAS BEEN A DIVERSION OF SAUDI-BOUND GENERAL CARGO THROUGH NEIGHBORING PORTS WHICH GIVES ILLUSION THAT DAMMAM CONGESTION

IS DECREASING FASTER, PERHAPS, THAN IT ACTUALLY IS.
ONCE SHIPPERS HEAR THAT BERTHING DELAY IS LESS THAN TWO MONTHS,
MORE OF THEIR CARGOES WILL BE MANIFESTED TO DAMMAM. NONETHELESS,
SEPTEMBER WAS AN EXCELLENT MONTH AND POINTS TO FURTHER IMPROVE-
MENT IN DAMMAM PORT SITUATION.....PERHAPS UP TO THE 425,000 TONS
PER MONTH MARK IN THE CONCLUDING QUARTER OF 1976.
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